

# Orange County Economic Forecast

Orange County is the fourth largest County in California in terms of population and employment. In 2001, population was estimated at 2.87 million, and wage and salary employment equaled 1.43 million jobs. The principal industries are manufacturing, retail trade, business services, and education.

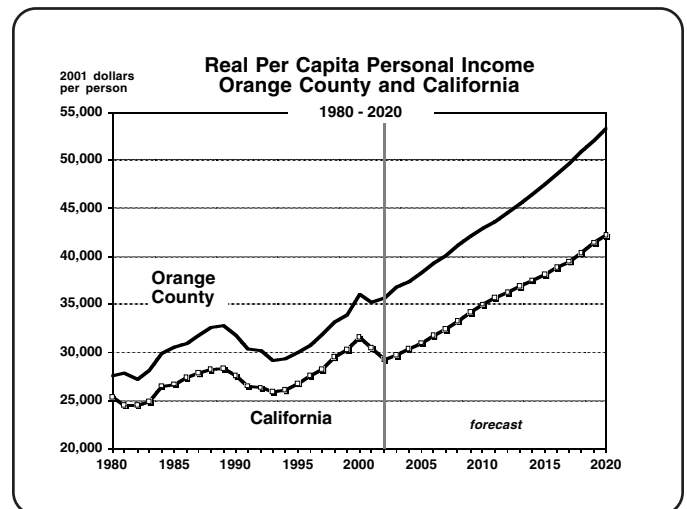
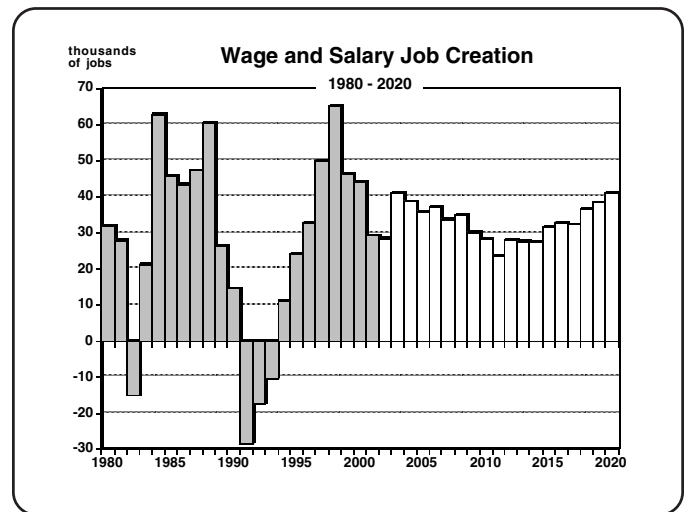
Between 1994 and 2001, the County created 292,000 jobs, the largest labor market expansion in the county since the middle 1980s. The unemployment rate fell to 2.5 percent in 2000, the lowest rate on record.

A weakened California economy in 2001 produced a drag on the Southern California economy, but job growth remained positive. The unemployment rate rose to 3.6 percent in February of 2002 (from 2.5 percent in February of 2001). The current rate still represents a relatively tight labor market.

Real per capita income is the ratio of total personal income to population, adjusted for inflation. Real per capita income reached \$36,000 in 2000, falling marginally in 2001. With the aging of the population, incomes will continue to rise in Orange County over the forecast horizon.

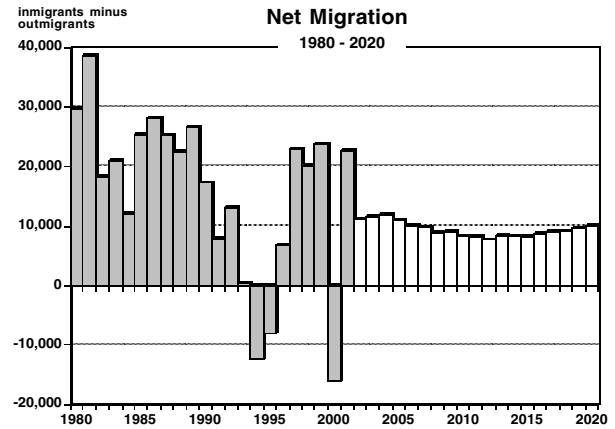
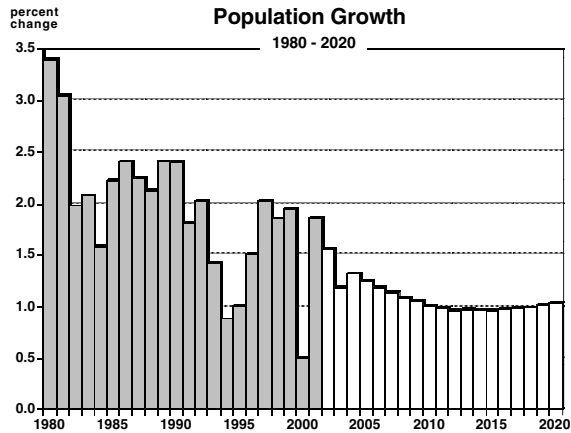
## Forecast Highlights

- Employment growth is expected to average 2.4 percent per year through 2007. The services sector will create the most jobs, principally in business and healthcare.
- Real per capita income is forecast to grow at an average 2.4 percent per year over the next 5 years. This rate exceeds the expected growth of per capita income in the entire state of California, which is forecast to rise at a 2.1 percent clip.
- Retail sales are forecast to rise an average 2.6 percent per year between 2002 and 2007. The average rate of growth during the 1995 to 2000 period was an unsustainable 6.3 percent per year.
- Between 2002 and 2007, housing prices rise an average of 3.2 percent per year, adjusted for inflation.
- Higher home prices and existing land use constraints will limit the rate of new housing development in Orange County over the foreseeable future. Furthermore,



an aging population and slower job growth in the County are likely to keep net in-migration in check, limiting population growth.

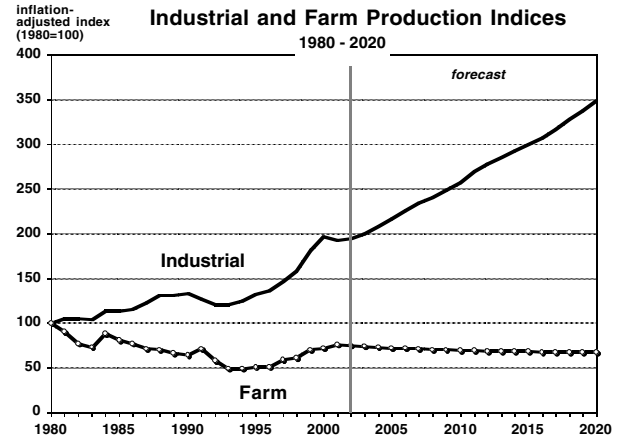
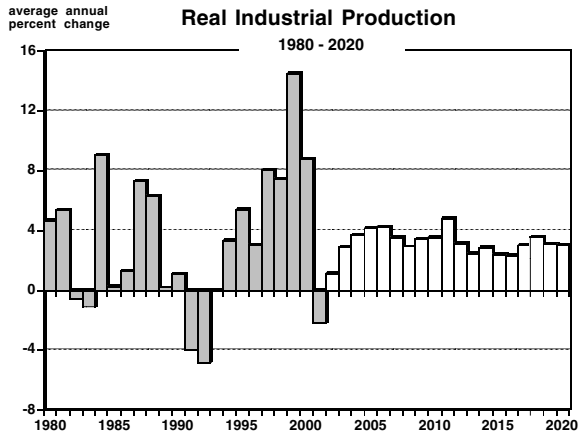
- Net migration into Orange County falls from 23,800 in 1999 to 11,200 in 2002. Fewer net-migrants are forecast each year between now and the end of the decade because job growth slows and the production of housing remains limited.



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### 1995-2001 History, 2002-2020 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	2,643,300	-7,997	2,016	865	8,300	\$17.7	\$69.2	\$29,996	\$226	\$23
1996	2,683,100	6,841	2,060	875	10,207	\$18.8	\$73.3	\$30,778	\$229	\$24
1997	2,737,500	22,890	1,984	883	12,251	\$20.3	\$78.7	\$31,883	\$267	\$25
1998	2,788,300	20,173	2,118	893	10,101	\$21.7	\$84.8	\$33,224	\$282	\$27
1999	2,842,400	23,770	2,161	901	12,348	\$24.0	\$90.3	\$33,918	\$331	\$31
2000	2,856,800	-16,018	2,245	933	12,367	\$26.6	\$99.7	\$36,074	\$355	\$34
2001	2,910,000	22,693	2,282	942	8,620	\$27.8	\$102.6	\$35,247	\$386	\$33
2002	2,955,589	11,200	2,258	950	8,062	\$28.9	\$108.8	\$35,701	\$392	\$34
2003	2,990,611	11,586	2,296	957	8,969	\$30.5	\$116.1	\$36,747	\$395	\$35
2004	3,030,166	11,939	2,327	965	8,830	\$32.0	\$122.5	\$37,438	\$399	\$36
2005	3,068,066	11,002	2,359	974	8,620	\$33.5	\$129.9	\$38,273	\$404	\$37
2006	3,104,451	10,147	2,395	981	8,712	\$35.2	\$138.2	\$39,305	\$409	\$39
2007	3,139,901	9,856	2,425	989	8,464	\$36.9	\$145.8	\$40,093	\$415	\$40
2008	3,173,722	8,837	2,459	997	8,535	\$38.7	\$154.6	\$41,143	\$420	\$42
2009	3,207,133	8,936	2,491	1,005	8,217	\$40.5	\$163.5	\$42,133	\$427	\$43
2010	3,239,532	8,325	2,520	1,012	8,059	\$42.4	\$172.5	\$42,958	\$434	\$45
2011	3,271,617	8,252	2,547	1,020	7,749	\$44.2	\$181.6	\$43,683	\$442	\$47
2012	3,303,126	7,733	2,577	1,027	8,045	\$46.5	\$191.8	\$44,572	\$451	\$48
2013	3,335,293	8,347	2,605	1,034	8,020	\$48.8	\$202.5	\$45,444	\$460	\$49
2014	3,367,550	8,303	2,636	1,041	8,009	\$51.3	\$214.0	\$46,442	\$469	\$51
2015	3,399,982	8,240	2,666	1,049	8,292	\$54.0	\$226.1	\$47,482	\$479	\$52
2016	3,433,150	8,657	2,697	1,056	8,377	\$57.0	\$239.3	\$48,573	\$489	\$53
2017	3,467,067	8,952	2,727	1,064	8,331	\$60.1	\$253.5	\$49,666	\$500	\$55
2018	3,501,575	9,032	2,758	1,072	8,627	\$63.6	\$268.6	\$50,856	\$511	\$57
2019	3,537,312	9,728	2,788	1,079	8,724	\$67.1	\$284.1	\$52,009	\$522	\$59
2020	3,573,943	10,155	2,819	1,087	8,894	\$70.9	\$300.6	\$53,266	\$533	\$60



Total Wage & Salary (000)	Farm (000)	Construction (000)	Mining (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----									
1,158	6.3	49.8	0.9	205.5	42.4	291.6	84.9	348.6	128.2
1,191	6.7	52.5	0.9	211.2	42.8	298.6	86.9	361.7	129.7
1,241	6.9	58.1	0.9	222.4	44.4	309.9	92.9	372.7	132.7
1,306	6.6	65.5	0.9	231.7	46.3	322.5	100.4	395.6	136.4
1,352	7.0	73.8	0.7	229.4	48.6	331.5	104.2	415.9	141.1
1,396	7.6	77.6	0.6	230.5	50.9	339.7	105.8	437.1	146.6
1,426	7.1	80.4	0.6	225.2	52.3	348.9	111.8	448.3	150.9
1,454	7.2	81.9	0.7	220.0	53.5	362.7	115.1	456.0	156.6
1,495	7.3	85.3	0.7	220.1	54.5	376.3	118.8	469.7	161.9
1,533	7.4	87.0	0.7	222.3	55.2	389.4	122.3	482.1	166.8
1,569	7.4	88.0	0.8	224.3	56.0	402.1	125.9	493.3	171.4
1,606	7.4	89.8	0.8	226.3	57.9	414.8	129.5	504.1	175.6
1,640	7.4	90.8	0.8	228.3	59.5	427.2	133.0	513.6	179.5
1,675	7.4	91.3	0.8	230.0	60.7	439.8	136.5	525.4	182.8
1,705	7.4	91.6	0.8	231.4	62.3	452.3	140.1	533.8	185.4
1,733	7.4	92.0	0.8	232.5	64.0	464.6	143.4	541.1	187.4
1,757	7.4	92.2	0.8	233.1	66.0	476.3	146.6	545.5	189.0
1,785	7.4	92.3	0.8	233.5	67.4	488.5	149.9	554.8	190.2
1,812	7.4	92.6	0.8	234.0	68.5	500.9	153.3	563.6	191.2
1,840	7.4	92.9	0.8	234.8	69.6	513.8	156.8	571.5	192.2
1,871	7.3	93.4	0.8	235.4	70.9	527.6	160.4	582.4	193.1
1,904	7.3	93.8	0.8	236.1	72.1	542.3	164.2	593.5	194.1
1,937	7.3	94.3	0.7	236.6	73.5	557.6	168.1	603.3	195.2
1,973	7.3	94.9	0.7	236.9	75.4	573.9	172.1	615.5	196.4
2,012	7.3	95.3	0.7	237.1	77.6	591.3	176.1	628.3	197.9
2,053	7.3	95.6	0.7	237.6	79.2	609.6	180.4	642.8	199.6

